

**Commission on Poverty  
Report of the Ad Hoc Group on the Elderly in Poverty**

**Purpose**

This paper updates Members on the issues discussed at the meeting of the Ad Hoc Group on the Elderly in Poverty held on 19 April 2007.

**Medical Needs**

*(i) Further improving the medical fee waiver mechanism*

2. Members noted at the last Ad Hoc Group meeting that a number of improvement measures had been introduced by the Hospital Authority (HA) to make the medical fee waiver mechanism more accessible to the needy elderly patients, including extending the coverage of period waivers to prescheduled follow-up appointments at General Outpatient Clinic (GOPCs) for chronically ill or elderly patients. In response to Members' concerns, the HA agreed to consider extending the period waivers to non-prescheduled appointments at GOPCs.

3. While Members welcomed the additional improvement, they remained concern about the low utilization rate of the medical fee waiver mechanism for elderly not on Comprehensive Social Security Assistance (CSSA)<sup>1</sup>. They considered that the low utilization rate was not due to the lack of financial needs of the elders, but rather the lack of knowledge as well as general reluctance of elders not on CSSA to go through the means-testing procedures to apply for the fee waivers. The Ad Hoc Group urged the Administration to continue to simplify the procedures and lengthen the period waivers as far as possible in order to facilitate application by the needy elderly patients. They considered a period waiver of less than 1 year was too short, and there should be room to further extend the period waivers since the financial status of the elderly would unlikely fluctuate.

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<sup>1</sup> According to the Indicators of Poverty (Indicator 17, 2004/2005 figure), the number of successful applicants were 8 164 for elders aged 65 or above, representing 1% of the corresponding population.

***(ii) Reducing medical fees for elders***

4. Members discussed the proposal to reducing medical fees to all elderly persons aged 65 or above e.g. by half. Members considered that while the medical fee waiver mechanism was intended to assist needy elders not on CSSA among others, few needy elders actually benefited under the waiver mechanism. The Ad Hoc Group suggested that the Administration should consider reducing the medical fees of elders across the board so as to ensure the needy elders could also benefit from the system.

5. In considering the proposal, Members noted that the Administration is currently reviewing future healthcare financing options as well as public hospital fees and charges arrangements. Members also noted that there was a need to consider the policy objective of the proposal, viz. whether it aimed to assist needy elders not on CSSA on a targeted basis and/or to enhance the welfare of elderly in general, and the implications for the user-pay principle adopted in healthcare provision.

***(iii) Strengthening primary healthcare***

6. On a preventive side, Members considered that the Administration should strengthen the primary healthcare service for the elderly at the community level in order to reduce medical risks and costs. Members noted that resources allocated to the Elderly Health Centres (EHCs) of the Department of Health were limited and the center-based services alone were not adequate in delivering effective primary healthcare services to the elderly population in general and the needy elders in particular. Members also noted the Health and Medical Development Advisory Committee (HMDAC) had explored a number of relevant issues<sup>2</sup>, including strengthening health promotion and preventive care, and how to make use of private doctor network at the community level.

***(iv) Community care for discharged elderly patients from hospitals***

7. Members were briefed on the trial scheme for one-stop support services to elderly discharges as announced in the 2007-08 Budget. Members welcomed the Government's initiative for needy elderly who could not take care of themselves after being discharged from hospitals, and to strengthen the interface between medical and home-based community care services in rendering support for elderly hospital discharges. While the trial did not target only at poor elders, Members suggested that

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<sup>2</sup> "Building a Healthy Tomorrow - Discussion Paper on the Future Service Delivery Model for our Health Care System"

attention should be given to the specific needs of vulnerable elders (e.g. singleton elders and those living in poor environment). Members also noted that the Elderly Commission (EC) would set up an ad hoc group to follow on the implementation of the trial.

### **Long-term Care and Financial Security during Old Age**

8. Members discussed the long-term care (LTC) needs of elders, which were relevant to preventing and alleviating poverty among the elders<sup>3</sup>.

9. Members noted that as the population ages, LTC needs including demand for home-based community care services and residential care homes for the elderly (RCHEs) would continue to increase. Members were concerned about the long waiting time for subsidised RCHE places. At the same time, Members noted that without a means-testing mechanism, increasing public provision could not meet the ever-increasing demand and shorten the waiting time. Members also noted that some needy elders might make use of the Comprehensive Social Security Assistance payment to stay in private RCHEs, while at the same time waiting for subsidised RCHE places.

10. Noting that the pressure of an ageing population would accelerate with time, Members considered that the Administration should start considering how to tackle the following issues -

- (i) More long term planning for the provision of subsidised RCHE places – the Administration should have early planning on the long term provision of subsidised RCHE places in order to address the increasing demands.
- (ii) Enhance quality of residential care places – Members noted the Administration's efforts to continue to enhance the quality of private RCHEs. In the longer-run, Members suggested that the Administration should explore the possibility of co-payment of fees among the individuals, their family and the Government, with a view to providing market incentives to the private RCHE operators to compete on quality and provide diversified services.
- (iii) Consider more vigorous targeting – In the longer-run, Members suggested that the Administration should consider whether the subsidised residential care service should be means-tested in order to ensure resources could reach

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<sup>3</sup> For background, please see CoP EP Paper 1/2007.

those who were most in need. Members nevertheless noted that the issue was complicated and would hinge on the design of the means-testing mechanism, to what extent it would release pressure on subsidised residential care provision, and whether those not eligible had alternative choices of quality care services or were ready to age in place.

11. Members also noted that the issue of adequate retirement protection and financial security during old age was closely related to the affordability of LTC. Members noted that the Central Policy Unit is conducting a study on the sustainability of the three pillars of retirement protection and the study was expected to complete in 2007.

### **Other Issues**

12. Members noted that the meeting was probably the last meeting of the Ad Hoc Group before the end of the current CoP term. The Secretariat would summarise the views of Members on the issues discussed by the Ad Hoc Group and include them in a draft report of the Commission. Concerning the earlier proposal to raise the asset limit of elderly cases under the CSSA Scheme, Members suggested that the CoP should consider including the proposal as a recommendation to the Administration for future consideration. Members however noted that the Administration had already explained at the CoP meeting on 8 January 2007 on why the proposal was not supported.

13. Members also noted that the EC has been advising the Government on the formulation of a comprehensive policy for the elderly, including matters relating to the care, housing, financial security and health of the elderly. Members thanked the Chairman and the Vice-Chairman of the EC for joining the work of the Ad Hoc Group to explore the key needs of the elderly poor, immediate improvements which could be made, as well as longer-term policy direction to improve our support to elders in need.

Commission Secretariat

April 2007